ADVANCE SYNERGY BERHAD
(Company No: 1225-D)

COMPANY ANNOUNCEMENT
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2014

The Board of Directors of Advance Synergy Berhad wishes to announce the unaudited financial results of the Group for the quarter and year ended 31 December 2014.

This interim report is prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2013.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	3 months ended		Year-to-date 12 months ended	
	Unaudited		Unaudited	Audited
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue	79,484	73,776	274,468	261,837
Cost of sales	(51,859)	(49,426)	(181,344)	(169,923)
Gross profit	27,625	24,350	93,124	91,914
Other operating income	4,314	6,103	23,738	13,179
Operating expenses	(29,403)	(46,612)	(108,318)	(118,174)
Profit/(Loss) from operations	2,536	(16,159)	8,544	(13,081)
Finance costs	(1,205)	(1,428)	(4,999)	(5,362)
Share of results of associates	(118)	(596)	(896)	(2,504)
Profit/(Loss) before tax	1,213	(18,183)	2,649	(20,947)
Income tax expense	(1,514)	(2,390)	(5,109)	(5,509)
Net profit/(loss) for the financial period/year	(301)	(20,573)	(2,460)	(26,456)
Attributable to:				
Owners of the parent	(1,932)	(17,549)	(4,569)	(24,745)
Non-controlling interests	1,631	(3,024)	2,109	(1,711)
	(301)	(20,573)	(2,460)	(26,456)
Loss per share attributable to owners of the parent:				
Basic (sen)	(0.29)	(3.41)	(0.81)	(4.82)
Diluted (sen)	(0.29)	(3.41)	(0.81)	(4.82)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	3 months ended		Year-to-date 12 months ended	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
	Unaudited		**Unaudited**	**Audited**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net profit/(loss) for the financial period/year	(301)	(20,573)	(2,460)	(26,456)
Other comprehensive income/(expenses):				
Item that will not be reclassified subsequently to profit or loss				
Realisation of revaluation reserve	-	-	-	(62)
Revaluation of property, plant and equipment	-	3,296	-	3,296
Total items that will not be reclassified subsequently to profit or loss	-	3,296	-	3,234
Items that are or may be reclassified subsequently to profit or loss:				
Fair value of available-for-sale financial assets	322	(81)	1,366	241
Share of other comprehensive income of associates, net of tax	(8)	31	150	121
Foreign currency translation differences for foreign operations	1,682	427	1,005	4,040
Total items that are or may be reclassified subsequently to profit or loss	1,996	377	2,521	4,402
Other comprehensive income for the financial period/year	1,996	3,673	2,521	7,636
Total comprehensive income/(loss) for the financial period/year	1,695	(16,900)	61	(18,820)
Attributable to:				
Owners of the parent	(212)	(14,033)	(1,989)	(17,250)
Non-controlling interests	1,907	(2,867)	2,050	(1,570)
Total comprehensive income/(loss) for the financial period/year	1,695	(16,900)	61	(18,820)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 31.12.2014 RM'000	Audited as at 31.12.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	158,249	187,407
Investment properties	8,870	8,870
Investment in associates	59,512	35,667
Investment securities	21,083	19,719
Investment in joint venture	18	-
Goodwill on consolidation	92,027	92,027
Intangible assets	6,214	17,798
Trade and other receivables	606	-
Deferred tax assets	743	1,239
	347,322	362,727
Current assets		
Progress billings	9,938	12,449
Inventories	65,145	58,434
Trade and other receivables	78,952	72,419
Tax recoverable	1,858	2,520
Investment securities	418	499
Short term deposits	80,122	85,383
Cash and bank balances	48,444	44,993
	284,877	276,697
TOTAL ASSETS	632,199	639,424
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	198,677	154,175
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - equity component	65,384	108,669
Reserves	177,644	178,284
	441,705	441,128
Non-controlling interests	36,499	34,625
Total equity	478,204	475,753
Non-current liabilities		
Borrowings	37,728	56,097
ICULS - liability component	4,297	9,231
Deferred tax liabilities	1,539	1,811
Provision for retirement benefit obligations	1,284	1,374
	44,848	68,513
Current liabilities		
Trade and other payables	72,825	65,717
Borrowings	35,904	26,845
Tax payable	418	2,596
	109,147	95,158
Total Liabilities	153,995	163,671
TOTAL EQUITY AND LIABILITIES	632,199	639,424

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	← *Attributable to owners of the parent* →									
			← *Non-distributable* →				*Distributable*			
	Share Capital	**ICULS-Equity Component**	**Share Premium**	**Revaluation Reserve**	**Exchange Translation Reserve**	**Available-For-Sale Reserve**	**Retained Profits**	**Total**	**Non-Controlling Interests**	**Total Equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance as at 1 January 2014	154,175	108,669	117,317	15,998	(5,489)	4,992	45,466	441,128	34,625	475,753
Net loss for the financial year	-	-	-	-	-	-	(4,569)	(4,569)	2,109	(2,460)
Fair value of available-for-sale financial assets	-	-	-	-	-	1,366	-	1,366	-	1,366
Share of other comprehensive income of associates, net of tax	-	-	-	-	18	132	-	150	-	150
Foreign currency translation differences for foreign operations	-	-	-	-	1,064	-	-	1,064	(59)	1,005
Total comprehensive income/(loss) for the financial year	-	-	-	-	1,082	1,498	(4,569)	(1,989)	2,050	61
Transactions with owners in their capacity as owners:										
Disposal of interest in subsidiaries	-	-	-	-	-	-	412	412	404	816
Dividends paid	-	-	-	-	-	-	(1,339)	(1,339)	-	(1,339)
Issue of new ordinary shares pursuant to the conversion of ICULS	44,502	(43,285)	-	-	-	-	2,276	3,493	-	3,493
	44,502	(43,285)	-	-	-	-	1,349	2,566	404	2,970
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(580)	(580)
Balance as at 31 December 2014	198,677	65,384	117,317	15,998	(4,407)	6,490	42,246	441,705	36,499	478,204

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014 (Continued)

	Attributable to owners of the parent									
	Non-distributable						*Distributable*			
	Share Capital	**ICULS-Equity Component**	**Share Premium**	**Revaluation Reserve**	**Exchange Translation Reserve**	**Available-For-Sale Reserve**	**Retained Profits**	**Total**	**Non-Controlling Interests**	**Total Equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance as at 1 January 2013	154,115	108,722	117,317	12,766	(9,421)	4,661	71,210	459,370	38,079	497,449
Net loss for the financial year	-	-	-	-	-	-	(24,745)	(24,745)	(1,711)	(26,456)
Fair value of available-for-sale financial assets	-	-	-	-	-	241	-	241	-	241
Share of other comprehensive income of associates, net of tax	-	-	-	-	31	90	-	121	-	121
Revaluation of property, plant and equipment	-	-	-	3,296	-	-	-	3,296	-	3,296
Realisation of revaluation reserves	-	-	-	(62)	-	-	-	(62)	-	(62)
Foreign currency translation differences for foreign operations	-	-	-	(2)	3,901	-	-	3,899	141	4,040
Total comprehensive income/(loss) for the financial year	-	-	-	3,232	3,932	331	(24,745)	(17,250)	(1,570)	(18,820)
Transactions with owners in their capacity as owners:										
Dividends paid	-	-	-	-	-	-	(1,927)	(1,927)	-	(1,927)
Acquisition of additional shares in a subsidiary	-	-	-	-	-	-	928	928	(814)	114
Issue of new ordinary shares pursuant to the conversion of ICULS	60	(53)	-	-	-	-	-	7	-	7
	60	(53)	-	-	-	-	(999)	(992)	(814)	(1,806)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	(1,070)	(1,070)
Balance as at 31 December 2013	154,175	108,669	117,317	15,998	(5,489)	4,992	45,466	441,128	34,625	475,753

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	12 months ended Unaudited 31.12.2014 RM'000	12 months ended Audited 31.12.2013 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	2,649	(20,947)
Adjustments for :-		
Non-cash items	12,021	36,405
Other investing and financing items	2,244	2,020
Operating profit before working capital changes	16,914	17,478
Changes in working capital		
Inventories	(5,721)	1,879
Receivables	12,670	(21,041)
Payables	11,151	7,371
Cash generated from operations	35,014	5,687
Retirement benefit paid	(67)	(31)
Tax paid	(6,445)	(2,395)
Net cash from operating activities	28,502	3,261
Cash flows from investing activities		
Acquisition of intangible assets	(1,128)	(2,146)
Acquisition of a subsidiary, net of cash acquired	21	150
Acquisition of additional shares in subsidiaries	-	(110)
Investment in associates	(24,363)	(305)
Acquisition of additional shares in an associate	(400)	(3,403)
Investment in joint venture	-	(24)
Dividend income received	4	2
Interest received	2,751	3,341
Payment to contingent consideration	(2,315)	(3,294)
Proceeds from disposal of property, plant and equipment	65	111
Proceeds from disposal of subsidiaries, net of cash disposed	8,018	-
Purchase of property, plant and equipment	(5,440)	(13,098)
Net cash used in investing activities	(22,787)	(18,776)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014 (Continued)

	12 months ended Unaudited 31.12.2014 RM'000	12 months ended Audited 31.12.2013 RM'000
Cash flows from financing activities		
Dividends paid	(1,339)	(1,927)
Dividends paid to non-controlling interests of a subsidiary	(580)	(1,070)
Drawdown of term loans and revolving credit	11,300	25,685
Interest paid	(6,908)	(6,375)
Payment to hire purchase payables	(17)	(21)
Withdrawal of pledged short term deposits	3,763	1,018
Repayment of term loans	(8,028)	(2,995)
Net cash (used in)/from financing activities	(1,809)	14,315
Effect of exchange rate changes	(1,767)	(1,181)
Net increase/(decrease) in cash and cash equivalents	2,139	(2,381)
Cash and cash equivalents as at beginning of financial year		
As previously reported	90,901	91,249
Effect of exchange rate changes	1,499	2,033
As restated	92,400	93,282
Cash and cash equivalents as at end of financial year *	94,539	90,901
*** Cash and cash equivalents at the end of the financial year comprising the following :**		
Short term deposits	80,122	85,383
Cash and bank balances	48,444	44,993
Bank overdrafts	(779)	(2,464)
	127,787	127,912
Less : Deposits placed with lease creditors as security deposit for lease payments	(21,874)	(21,093)
Restricted deposits	(1,053)	(6,194)
Cash held under Housing Development Accounts	(547)	(531)
Deposits pledged to licensed banks	(9,774)	(9,193)
	(33,248)	(37,011)
	94,539	90,901

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

The unaudited interim financial report has been prepared in compliance with MFRS 134 - "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013.

2. Significant accounting policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2013, except for the adoption of the following new and revised Malaysian Financial Reporting Standards ("MFRS"), amendments/improvements to MFRSs, IC Interpretations ("IC Int") and amendment to IC Int:

<u>Amendments/Improvements to MFRSs</u>

MRFS 10	Consolidated Financial Statements
MRFS 12	Disclosure of Interests in Other Entities
MRFS 127	Separate Financial Statements
MRFS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement

<u>New IC Int</u>

IC Int 21	Levies

The adoption of the above amendments to MFRSs and IC Interpretation will have no significant impact on the financial statements of the Group upon their initial application.

MFRSs, Amendments to MFRSs and IC Int issued but not yet effective

The following MFRSs, Amendments/Improvements to MFRSs that are issued but are not yet effective, have yet to be adopted by the Group:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2017
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosures of Interests in Other Entities	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 July 2014 / 1 January 2016
MFRS 119	Employee Benefits	1 July 2014 / 1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate financial statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 138	Intangible Assets	1 July 2014 / 1 January 2016
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016

3 Audit report

The auditors' report on the financial statements for the year ended 31 December 2013 was not subject to any qualification.

4 Seasonal or cyclical factors

The operations of the Group for the quarter and year ended 31 December 2014 were not materially affected by any seasonal or cyclical factors.

5. Unusual items

There were no unusual significant items during the quarter and financial year under review other than as disclosed in the notes herein.

6. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter under review.

7 Debt and equity securities

For the financial year ended 31 December 2014:

(a) a total of 296,679,702 2% 10-Year Irredeemable Convertible Unsecured Loan Stocks at 100% of the nominal value of RM0.15 each ("ICULS") have been converted into 148,339,851 new ordinary shares of RM0.30 each in the Company by surrendering for cancellation two ICULS for every one new ordinary share of RM0.30 each in the Company; and

(b) 1 ordinary share of RM0.30 each in the Company was issued consequential to a conversion of ICULS by surrendering for cancellation one ICULS and cash payment of RM0.15 for one new ordinary share of RM0.30 each in the Company.

Apart from the above, there were no issuances, cancellations, repurchases, resale and/or repayments of debt and equity securities during the financial year ended 31 December 2014.

8 Dividends paid

The first and final single tier dividend of 0.25 sen per ordinary share of RM0.30 each in respect of the financial year ended 31 December 2013 was paid on 5 August 2014 after obtaining the approval from the shareholders of the Company at the Annual General Meeting held on 30 June 2014.

9. Segmental Information

For the financial year ended 31 December 2014

	Investment Holding	Hotels & Resorts	Information & Communications Technology	Property Development	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External	1,102	68,005	55,550	23,973	92,847	32,991	-	274,468
Inter-segment	17,367	-	-	10	611	-	(17,988)	-
Total revenue	18,469	68,005	55,550	23,983	93,458	32,991	(17,988)	274,468
Results								
Segment results	8,257	8,131	7,452	4,413	2,652	(11,606)	(15,754)	3,545
Share of results of associates and joint venture	837	(1,797)	(26)	-	90	-	-	(896)
Consolidated profit/(loss) before tax	9,094	6,334	7,426	4,413	2,742	(11,606)	(15,754)	2,649
Income tax expense								(5,109)
Consolidated profit/(loss) after tax								(2,460)
Non-controlling interests								(2,109)
Net profit/(loss) for the financial year attributable to owners of the parent								(4,569)

9. Segmental Information (Continued)

For the financial year ended 31 December 2014

	Investment Holding	Hotels & Resorts	Information & Communications Technology	Property Development	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Other information</u>								
Segment assets	65,733	196,088	162,791	64,053	17,885	63,518	-	570,068
Investment in associates and joint venture	37,126	18,420	18	-	3,966	-	-	59,530
Unallocated corporate assets								2,601
Total assets								632,199
Segment liabilities	10,333	83,381	14,885	8,496	8,297	26,646	-	152,038
Unallocated corporate liabilities								1,957
Total liabilities								153,995
Capital expenditure:								
- Property, plant & equipment	5	2,225	2,498	1	195	516	-	5,440
- Software development expenditure	-	-	1,128	-	-	-	-	1,128

9. Segmental Information (Continued)

For the financial year ended 31 December 2013

	Investment Holding	Hotels & Resorts	Information & Communications Technology	Property Development	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External	1,027	73,950	44,316	19,077	94,449	29,018	-	261,837
Inter-segment	14,955	-	-	16	340	-	(15,311)	-
Total revenue	15,982	73,950	44,316	19,093	94,789	29,018	(15,311)	261,837
Results								
Segment results	(8,739)	3,336	4,280	2,719	2,190	(8,096)	(14,133)	(18,443)
Share of results of associates	(926)	(1,455)	-	-	(123)	-	-	(2,504)
Consolidated profit/(loss) before tax	(9,665)	1,881	4,280	2,719	2,067	(8,096)	(14,133)	(20,947)
Income tax expense								(5,509)
Consolidated profit/(loss) after tax								(26,456)
Non-controlling interests								1,711
Net profit/(loss) for the financial year attributable to owners of the parent								(24,745)

9. Segmental Information (Continued)

For the financial year ended 31 December 2013

	Investment Holding	Hotels & Resorts	Information & Communications Technology	Property Development	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other information								
Segment assets	72,854	236,345	156,637	60,451	16,600	57,111	-	599,998
Investment in associates	15,520	19,817	-	-	330	-	-	35,667
Unallocated corporate assets								3,759
Total assets								639,424
Segment liabilities	15,463	91,440	12,979	8,016	6,154	25,212	-	159,264
Unallocated corporate liabilities								4,407
Total liabilities								163,671
Capital expenditure								
- Property, plant and equipment	106	6,581	855	1	82	5,473	-	13,098
- Software development expenditure	-	-	2,146	-	-	-	-	2,146

10. Property, plant and equipment

The valuations of land and buildings have been brought forward without amendment from the financial statements for the year ended 31 December 2013.

11. Significant events after the reporting year

(a) On 2 January 2015, Orient Escape Travel Sdn Bhd (“OET”), an indirect wholly-owned subsidiary of ASB held via Diversified Gain Sdn Bhd (“DGSB”), completed the acquisition of the 35,000 shares representing 50% equity interest in SH Tour Co Ltd, located in Nonhyun-dong, Gangnam-gu, Seoul, Korea (“SH Tour”), for a cash consideration of USD800,000 only (equivalent to approximately RM2,766,400) pursuant to a Share Purchase Agreement entered into on 2 December 2014. Accordingly, SH Tour became an indirect 50% associated company of the Company held via OET and DGSB respectively. On 5 January 2015, OET increased its investment to 89,202 shares representing 50% of the enlarged share capital of SH Tour by subscribing for further 54,202 shares in SH Tour. SH Tour is principally engaged in travel and tours business.

(b) On 12 January 2015, Segi Koleksi Sdn Bhd (“SKSB”) completed the acquisition of the 100% equity interest in Metroprime Corporation Sdn Bhd (“MCSB”) comprising 350,000 issued and paid-up ordinary shares of RM1.00 each for a cash consideration of RM817,779.66 pursuant an agreement dated 10 December 2014. Accordingly, MCSB became an indirect 70%-owned subsidiary of ASB held via SKSB. MCSB is currently owns and operates a language centre namely "The Language House" located in Petaling Jaya, Selangor Darul Ehsan.

(c) On 13 January 2015, the Company had via its wholly-owned subsidiary, Dama TCM Sdn Bhd (“Dama TCM”), an indirect wholly-owned subsidiary of ASB [held via Excellent Display Sdn Bhd (“EDSB”), a wholly-owned subsidiary of the Company], entered into the Joint Venture - Shareholders Agreement with CU Medical Ltd Co, a company incorporated in Korea, whereby the parties shall jointly establish and each hold 50% equity interest in a new joint venture company (“Proposed JV Company”).The Proposed JV Company, Medical Palace Sdn Bhd, was incorporated on 11 February 2015. The Proposed JV Company will principally be involved in wellness and beauty treatment, products and services.

(d) On 16 February 2015, a total of 1,401,100 ICULS have been converted into 700,550 new ordinary shares of RM0.30 each in the Company by surrendering for cancellation two ICULS for every one new ordinary share of RM0.30 each in the Company.

Apart from the above, there are no significant events after the reporting year.

12. Changes in the composition of the Group

(a) On 19 March 2014, the Company announced that its 58.3%-owned subsidiary of the Company [held via Worldwide Matrix Sdn Bhd, a wholly-owned subsidiary of the Company], Unified Communications Holdings Limited (now known as Captii Limited (“Captii”)) received an Affidavit of Liquidation from the Partnership and Companies Registration Office of Bangkok, Thailand on 18 March 2014 that Unified (Thailand) Limited, a subsidiary of Captii in Thailand, was voluntarily wound up on 17 March 2014.

12. Changes in the composition of the Group (Continued)

(b) On 8 April 2014, the Company announced that Antara Holiday Villas Sdn Bhd ("AHV"), an indirect wholly-owned subsidiary of the Company (held via ASHR, a wholly-owned subsidiary of the Company), entered into a Share Sale Cum Settlement Agreement with TH Hotel & Residence Sdn Bhd ("THHR") for the disposal of AHV's entire shareholding of 350,000 shares representing 70% equity interest in THV Management Services Sdn Bhd ("THV") to THHR, a company holding the remaining 30% equity interest in THV, for a consideration of RM350,000.00 only ("Proposed Disposal").

On 6 June 2014, the Company announced that the Proposed Disposal was completed on 6 June 2014 and accordingly, THV ceased to be a subsidiary of AHV, ASHR and the Company.

The summary of the effects on the disposal of THV is as follows:

	RM'000
Receivables	434
Cash and bank balances	395
Payables	(65)
Tax liabilities	(63)
Net assets	701
Group's share of net assets disposed	491
Less: Proceeds from disposal of the subsidiary	350
Loss on disposal of the subsidiary	(141)
Proceeds from disposal of the subsidiary	350
Less: Cash and bank balances of the subsidiary disposed	(395)
Net cash outflow	(45)

(c) On 29 May 2014, Triton Engineering Sdn Bhd ("Triton Engineering"), an inactive wholly-owned subsidiary of the Company [held via Advance Synergy Capital Sdn Bhd ("ASCAP")], received the notice of striking-off pursuant to Section 308(4) of the Companies Act, 1965 ("CA 1965") from the Registrar of Companies for its application to strike-off the name of the company from the register pursuant to Section 308(1) of the CA 1965.

(d) On 16 May 2014, the Company announced a re-organisation of the Group structure, whereby ASCAP, a wholly-owned subsidiary of the Company, transferred its entire holding of 10 ordinary shares of AUD1.00 each, representing 50% equity interest in Quality Bus & Coach Pty Ltd ("QBC Australia"), to Quality Bus & Coach (M) Sdn Bhd, a 61%-owned subsidiary of ASCAP ("QBC Malaysia") for a cash consideration of AUD 10.00. The remaining 50% equity interest in QBC Australia not held by ASB Group was also transferred to QBC Malaysia (hereinafter referred to as "Transfer of QBC Australia").

As a result of the Transfer of QBC Australia, Autobus Australia Pty Ltd ("Autobus Australia"), the wholly-owned subsidiary of QBC Australia, became an indirect wholly-owned subsidiary of QBC Malaysia.

Consequential to the above, QBC Australia ceased to be an indirect associate of the Company [held via ASCAP] and became an indirect subsidiary of the Company [held via QBC Malaysia].

The summary effects on the acquisition of QBC Australia is as follows:

	RM'000
Inventories	1,030
Receivables	268
Cash and bank balances	21
Payables	(2,815)
Net liabilities acquired	(1,496)
Goodwill arising from acquisition	1,496
Purchase consideration	-
Cash and bank balances of the subsidiary	21
Net cash inflow	21

12. Changes in the composition of the Group (Continued)

(e) On 7 July 2014, the Company announced that the proposed disposal of the Group's entire shareholding and voting rights, free from all securities, fees, options or other engagements in Alangka-Suka Paris SAS ("ASP"), Holiday Villa Lafayette Paris SAS ("HVLP") and Legenda De Malaisie SAS ("LDM")("Acquiree Companies") to Maranatha, a limited liability company registered with the MARSEILLE Register of Companies under the number 500 162 979 ("Proposed Disposal") pursuant to the 2 Share Purchase Agreements entered into on 7 May 2014 was completed on 7 July 2014. Following the completion of the Proposed Disposal, ASP, HVLP and LDM ceased to be indirect subsidiaries of the Company.

The summary of the effects on the disposal of ASP, HVLP and LDM is as follows:

	RM'000
Property, plant and equipment	18,249
Intangible assets	8,442
Inventories	12
Receivables	5,516
Cash and bank balances	387
Payables	(26,424)
Borrowings	(10,101)
Exchange fluctuation reserve	3
Net liabilities	(3,916)
Group's share of net liabilities disposed	(2,889)
Less: Proceeds from disposal of the subsidiaries	8,450
Gain on disposal of the subsidiaries	11,339
Proceeds from disposal of the subsidiaries	8,450
Less: Cash and bank balances of the subsidiaries disposed	(387)
Net cash inflow	8,063

(f) On 16 July 2014, Synergy Tours Sdn Bhd, an indirect wholly-owned subsidiary of the Company [held via OET, a wholly-owned subsidiary of DGSB which in turn is a wholly-owned subsidiary of the Company], incorporated a 50%-owned associated company, Synergy Holidays Company Limited, in the Republic of The Union of Myanmar. The principal activity of Synergy Holidays Company Limited is to operate the travel and tours business.

(g) On 29 April 2014, Synergy Realty Incorporated ("SRI"), an indirect wholly-owned subsidiary of the Company [held via Advance Synergy Property Sdn Bhd, a wholly-owned subsidiary of the Company] subscribed for 2 new ordinary shares of USD1.00 each representing 50% of the equity interest in Helenium Holdings Limited ("Helenium"), a company incorporated in the British Virgin Islands. Consequential thereto, Helenium became a 50%-owned indirect associated company of the Company held via SRI.

On 30 July 2014, the Company subscribed for an additional 38 ordinary shares of USD1.00 each in Helenium. Following the increase in share capital of Helenium, SRI's shareholding in Helenium reduced from 50% to 40% of the enlarged paid-up share capital of Helenium.

On 1 October 2014, SRI subscribed for further 6,400,000 ordinary shares of USD1.00 each at par in Helenium for cash consideration of USD6,400,000 (equivalent to approximately RM20,601,600) pursuant to a rights issue undertaken by Helenium ("Proposed Subscription"). Upon completion of the Proposed Subscription, SRI's shareholding in Helenium remain unchanged at 40%.

(h) On 20 November 2014, the Company announced that its 58.3%-owned subsidiary [held via Worldwide Matrix Sdn Bhd, a wholly-owned subsidiary of the Company], Captii Limited [formerly known as Unified Communications Holdings Limited ("Captii")], has on 20 November 2014 incorporated a wholly-owned subsidiary, Captii Ventures Pte Ltd ("Captii Ventures"), in Singapore. The principal activity of Captii Ventures is to undertake investment activities in technology companies.

(i) On 1 December 2014, ASCAP, a wholly-owned subsidiary of the Company, increased its shareholding in QBC Malaysia from 61% to 70% via capitalisation of its advances of RM642,500 to QBC Malaysia.

Other than the above, there were no changes in the composition of the Group for the current financial year.

13. Changes in contingent liabilities

There were no changes in contingent liabilities since the last annual statements of financial position as at 31 December 2013.

14. Review of performance

For the current year ended 31 December 2014 (“2014”), the Group recorded a higher revenue of RM274.5 million compared to a revenue of RM261.8 million recorded last year (“2013”), an increase of RM12.6 million or 4.8%. The bulk of the increase in revenue was recorded by our Information & Communications Technology, Property Development and Others divisions while our Hotels and Resorts and Travel & Tours divisions showed a drop in revenue. The Group recorded a profit before tax of RM2.6 million in 2014 compared to a loss before tax of RM20.9 million in 2013. The main contributing factor to the profit in 2014 was the gain on disposal of overseas subsidiaries under the Hotels & Resorts division of RM11.3 million. The Group profit is however affected by lower gross profit margin, offset partly by lower operating expenses and lower loss from the associates. The Group's gross profit margin was lower at 33.9% in 2014 compared to 35.1% in 2013. Our operating expenses were lower by RM9.9 million or a decrease of 8.3% in 2014 compared to 2013. The higher operating expenses in 2013 was mainly due to an impairment loss on a foreign investment of RM14.8 million. In 2014 operating expenses, there was an impairment loss on goodwill of RM1.5 million arising from the acquisition of remaining shares in a former associated company in Australia and realisation of foreign exchange loss of RM1.8 million.

Investment Holding

The division recorded a profit of RM9.1 million in the 2014 compared to a loss of RM9.7 million in 2013. The loss in 2013 was attributable mainly to the impairment loss on a foreign investment of RM14.8 million. The profit for the current year under review was also attributable to higher dividend income from subsidiaries (eliminated at group level) and better results from the associates.

Hotels & Resorts

The Hotels & Resorts division registered a lower revenue for 2014 of RM68.0 million compared to RM74.0 million in 2013 mainly due to the lower occupancy rates in the local hotels coupled with absence of revenue from an overseas hotel which was disposed in July 2014. Arising from the disposal of the overseas hotel, a gain was recorded of RM11.3 million contributing to the higher profit in 2014 of RM6.3 million compared to a profit of RM1.9 million in 2013.

Information & Communications Technology

The Information & Communications Technology division registered a higher revenue for 2014 of RM55.6 million compared to RM44.3 million in 2013, an increase of 25.3%. The higher revenue was mainly attributable to the improved revenue performance of Value Added Services (“VAS”) and Operation Support System (“OSS”) business units (“BU”). The improvement in revenue of VAS BU was driven primarily by the higher system sale and managed service contract revenues in the Middle East and Africa (“MEA”) and South East Asia (“SEA”) regions respectively while the increase in OSS BU's revenue was largely due to the higher system sale contract revenues realised by OSS BU in the SEA region.

This division recorded a higher profit before tax of RM7.4 million in 2014 compared to RM4.3 million in 2013 due to flow-down effect of higher revenue and lower operating expenses recorded in 2014.

Property Development

The Property Development division registered a higher revenue for 2014 of RM24.0 million compared to RM19.1 million in 2013. With the higher revenue, this division also recorded a higher profit before tax of RM4.4 million for 2014 compared to RM2.7 million in 2013.

Travel & Tours

For 2014, our Travel & Tours division achieved a lower revenue of RM93.5 million as compared to a revenue of RM94.8 million in 2013, a decrease of RM1.3 million or 1.4%. Despite the lower revenue, this division recorded a higher profit before tax of RM2.7 million for 2014 compared to RM2.1 million for 2013 due to better profit margin and higher other operating income.

Others

The Others division registered a higher revenue of RM33.0 million in 2014 compared to a revenue of RM29.0 million achieved in 2013. Despite the higher revenue, the division recorded a higher loss before tax of RM11.6 million compared to loss before tax of RM8.1 million in 2013. The increased loss in the year under review was mainly attributable to the higher operating expenses and impairment loss on goodwill arising from the acquisition of remaining shares in a former associated company in Australia of RM1.5 million.

15. Comparison of results with preceding quarter

The Group achieved a revenue of RM79.5 million for the current quarter ended 31 December 2014 ("Q4 2014") which was higher compared to the revenue in the previous quarter ended 30 September 2014 ("Q3 2014") of RM61.3 million, an increase of RM18.2 million. This was mainly due to higher revenue from all operating divisions. However, despite the higher Group revenue in the quarter under review, the Group recorded a lower profit before tax of RM1.2 million compared to RM6.6 million in the preceding quarter. This was mainly due to the gain on disposal of overseas subsidiaries under the Hotels & Resorts division of RM11.3 million in Q3 2014. Notwithstanding this gain on disposal of overseas subsidiaries from Q3 2014 results, the Group performed better this quarter mainly attributable to better results from the Information & Communications Technology, Property Development and Others divisions.

Investment Holding

The Investment Holding division recorded a profit before tax of RM14.2 million for Q4 2014 compared to a loss before tax of RM2.3 million for Q3 2014. The profit was mainly due to dividend income from subsidiaries (eliminated at group level).

Hotels & Resorts

The Hotels & Resorts division registered a slightly higher revenue for Q4 2014 of RM17.0 million as compared to RM16.2 million in Q3 2014. For the current quarter, this division made a loss of RM0.9 million compared to a profit of RM9.1 million in Q3 2014. The results for Q3 2014 included the gain on disposal of overseas subsidiaries and the realisation of foreign exchange loss.

Information & Communications Technology

The Information & Communications Technology division registered a higher revenue in Q4 2014 of RM14.2 million compared to RM12.1 million in Q3 2014. With the higher revenue in the quarter under review, a higher profit of RM2.7 million was achieved compared to a profit of RM2.0 million in Q3 2014. The profit in Q4 2014 was affected by lower gross profit margin compared to the previous quarter which was partly offset by lower operating expenses in Q4 2014 compared to the preceding quarter.

Property Development

The Property Development division recorded a higher revenue of RM14.1 million for Q4 2014 compared to RM2.2 million in Q3 2014. With the higher revenue, the division recorded a higher profit before tax of RM2.9 million compared to the previous quarter's profit of RM0.3 million.

Travel & Tours

The Travel & Tours division recorded a higher revenue for Q4 2014 of RM23.6 million compared to RM22.5 million in Q3 2014 mainly attributable to higher outbound travel business partly offset by lower inbound travel business. Despite the higher revenue, the division recorded a lower profit before tax of RM0.2 million in Q4 2014 compared to the profit of RM0.7 million in Q3 2014. This was mainly due to the loss generated by inbound travel business which recorded a profit in the previous quarter.

Others

The Others division recorded a higher revenue for Q4 2014 of RM10.6 million compared to RM8.1 million in the Q3 2014. The increase in revenue was attributable mainly to the Bus Manufacturing division. With the increased revenue in this quarter, the Others division recorded a lower loss of RM2.0 million in Q4 2014 compared to a loss of RM3.3 million in Q3 2014.

16. Prospects

Our Board expects the 2015 financial year to remain challenging for the Group with expected volatility in the global economy and increasing inflationary pressures in our domestic market.

For 2015, the Group will stay focused to improve operational efficiencies and productivity coupled with cost management. The Group will continue to focus on growing its established core businesses and will explore opportunities of tapping into new markets through introduction of promising new products and services and / or venturing into new business segments with potential growth.

16. Prospects (Continued)

With the expected uncertainty in the global economy and rising cost pressure in our domestic economy, the Hotels & Resorts division expects to operate in very challenging business conditions in 2015. However our Hotels & Resorts division will continue to leverage on its branding and expertise in hotel management and we expect to secure more management and operating agreements to increase our room inventories in 2015. This division will also implement innovative action plans to improve its operation efficiencies.

The Information & Communications Technology division expects the 2015 financial year to remain challenging, especially for the parts of its business that generate revenues primarily from system sale contracts. While the growth in system sale contract is expected to be less certain and gross margin pressure expected to persist, this division anticipates the steady progress in growing the managed service contract portfolio to be effective as a countervailing force. With the anticipated growth of managed service contract revenues over the coming years, this division will continue to be focused on developing and delivering high value, utility-focused application and platform services in partnership with the leading mobile network operators and service providers of the SEA, South Asia ("SA") and MEA regions. Our ICT division through its technology investment and venture activities will be capitalising on the growth in internet usage – especially the mobile broadband variety in the SEA and SA regions by strategically investing in early to late stage technology and innovation in internet-delivered applications and mobile and digital media. This division's strategic investment plan will focus primarily on these growth businesses in the SEA and SA regions, and will be complemented by the growth-by-acquisition strategy already in place for the existing business units.

Our Property Development division is cautious about the property market due to the rising cost pressures, financial institutions' credit tightening measures and the uncertain consumer sentiment arising from the impending Goods and Services Tax implementation. For 2015 financial year, our Property Development division will continue to focus on its on-going development projects to drive the earnings of the Group.

Barring unforeseen circumstances, we expect to see some recovery in tourist arrivals into Malaysia in 2015 with the various tourism marketing campaigns organised by the Government such as the Malaysia Year of Festivals 2015 ("MyFest 2015") and the visa fee waiver for China tourists. For outbound travel and tours, we forecast moderate growth in demand as consumers adjust to the higher cost of living. Our Travel and Tours division will continue to pursue its marketing strategies and initiatives to enhance its products and services to secure bookings from key markets and new market segments.

The Others division expects to face continued challenges in 2015 and will continue focusing on its key measures including implementing innovative marketing strategies, enhancing its products and/or services portfolio by seeking opportunities with viable joint ventures and implementing cost saving measures to address the challenge of driving up the revenue growth plan and cost efficiency.

17. Board of Directors' opinion on revenue or profit estimate, forecast, projection or internal targets

The Group did not previously announce or disclose any revenue or profit estimate, forecast, projection or internal targets in a public document.

18. Profit variance and shortfall in profit guarantee

Not Applicable.

19. Income tax expense

	3 months ended 31.12.2014 RM'000	Year-to-date ended 31.12.2014 RM'000
On current quarter/year results		
- Malaysian income tax	2,214	5,559
- Overseas taxation	10	10
Over provision in prior years	(529)	(577)
Transfer (to)/from deferred taxation	(181)	117
	1,514	5,109

The effective tax rate of the Group for the financial quarter and year ended 31 December 2014 is higher than the statutory tax rate. This is mainly due to certain expenses which were not deductible for taxation purposes and the non-availability of group relief where tax losses of certain subsidiaries cannot be set off against the taxable income of other subsidiaries.

20. Status of corporate proposals

(a) On 25 March 1996, the Company announced that it had accepted the offer from Perbadanan Kemajuan Negeri Kedah (“PKNK”) to purchase from the Company 52,500,000 ordinary shares of RM1.00 each representing 70% equity interest in Kedah Marble Sdn Bhd (“KMSB”) for a total cash consideration of RM59,797,500. In the meantime, a Winding-Up Petition dated 25 March 2002 was served on KMSB, on or about 19 April 2002, by Malaysia Airports Sdn Bhd, a trade creditor of KMSB. On 11 June 2003, a Winding-Up Order was granted by the Kuala Lumpur High Court and the Official Receiver was appointed the Provisional Liquidator.

The Company had on 14 June 2004 instituted legal action vide Alor Setar High Court Civil Suit No. MT2-22-95-2004 against PKNK to recover its investment in KMSB. Details of this legal suit are set out in Note 23(a).

(b) On 17 February 2015, the Company announced that its 58.3%-owned subsidiary [held via Worldwide Matrix Sdn Bhd, a wholly-owned subsidiary of the Company], Captii, has on 17 February 2015 released an announcement in relation to the Proposed Share Consolidation (where Captii proposes to undertake a share consolidation for every ten ordinary shares in the issued share capital of Captii into one consolidated share) to comply with the requirement on minimum trading price of S$0.20 per share for mainboard listed issuers on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each shareholder in the Company, other than non-material changes due to rounding. The Proposed Share Consolidation is subject to, inter alia (a) approval of the SGX-ST for the dealing in, listing of and quotation for the consolidated shares on SGX-ST; and (b) Captii's shareholders’ approval for the Proposed Share Consolidation being obtained at an extraordinary general meeting of Captii to be convened.

21. Group borrowings

(a) Details of the borrowings by the Group are as follows :-

	As At 31.12.2014 RM’000	**As At 31.12.2013 RM’000**
Short term - secured		
- Term loans	1,508	3,294
- Bank overdraft	779	2,464
- Hire purchase payables	24	23
- Finance lease payable	1,570	1,564
- Revolving credit	30,800	19,500
Short term - unsecured		
- Term loans	1,223	-
	35,904	26,845
Long term - secured		
- Term loans	15,005	28,960
- Hire purchase payables	15	39
- Finance lease payable	21,427	21,351
Long term - unsecured		
- Term loans	1,281	5,747
	37,728	56,097
Total borrowings	73,632	82,942

(b) Group borrowings denominated in foreign currency are as follows:-

	As At 31.12.2014 RM’000	**As At 31.12.2013 RM’000**
Australian Dollars	2,504	5,747
Sterling Pounds	291	574
Euro	-	11,553

22. Financial Instruments

(a) Derivatives

The Group does not have any outstanding derivatives as at the date of this report.

(b) Gain/Loss arising from fair value changes of financial liabilities

There were no gain/loss arising from the fair value changes in financial liabilities for the current financial year.

23. Material litigation

(a) The Company initiated the Alor Setar High Court Civil Suit No. MT2-22-95-2004 on 14 June 2004 against Perbadanan Kemajuan Negeri Kedah ("PKNK") to recover its investment of RM52,500,000 representing 70% equity interest in Kedah Marble Sdn Bhd ("KMSB") together with other sums, damages, interests and costs.

PKNK then applied for the determination of points or issues of law pursuant to Order 14A and/or Order 33 Rule 2 of the Rules of High Court, 1980. The application was heard on 13 January 2011 and allowed by the High Court on the basis that the Company's claim was time barred under the Public Authorities Protection Act ("PAPA") and/or the Limitation Act. In the result, the suit was dismissed with costs. The Judgment of the High Court was appealed to the Court of Appeal of Malaysia vide Civil Appeal No.: K-01-85-2011. The appeal was heard on the 27 September 2012 and allowed with costs. In the result, the order of the High Court dated 13 January 2011 was set aside and the matter remitted to the High Court for trial. Following the order of the Court of Appeal of Malaysia, PKNK has filed an application for leave ("Leave Application") to appeal to the Federal Court of Malaysia vide Civil Application No.: 08-772-10/2012.

The Leave Application was heard by the Federal Court of Malaysia on 6 May 2014 and unanimously dismissed with costs of RM10,000.00 payable by PKNK to the Company. In the result, the suit will be tried by the High Court in Alor Setar. The suit which was originally set down for case management in the High Court in Alor Setar on 12 January 2015 had been adjourned to 9 March 2015 pending the extraction of the Federal Court order.

(b) On 20 November 2013, Captii announced that Unified Telecom Private Limited ("UTPL"), a joint venture entity of Captii in India, had on 19 November 2013 filed a petition to the High Court of Delhi, New Delhi under Section 9 of India's Arbitration and Conciliation Act, 1996 ("Act") to obtain interim relief on the protection of Assets (i.e. the required systems comprising hardware, software and services implemented at the Telco's sites for the Project) currently under the custody of a mobile telecoms network operator and service provider in India ("Telco") and to deny the penalty claims by the Telco against UTPL.

In October 2008, UTPL entered into a revenue sharing contract with the Telco for the provision of mobile advertising services on a turnkey basis ("Project"). UTPL had decided not to pursue renewal upon the expiry of the said contract in March 2012 and had made repeated attempts to recover the Assets that remain in the custody of the Telco. Telco had via a letter issued in July 2013 alleged that UTPL is liable for a sum of INR 10.7 crore (approximately SGD2.1 million or RM5.4 million) for damages and expenditure incurred in connection with the said contract during its currency.

Having assessed the legal opinion obtained from the law firms consulted, the Board of Captii is of the view that UTPL has the full rights and title to the Assets and should be entitled to demand their return, and that the Telco's financial claim against UTPL has no legal merit.

Subsequent to the announcement above, the High Court of Delhi scheduled the petition to be heard on 23 April 2014. On 25 April 2014, Captii announced that the Telco sought further time to file a reply to the petition under Section 9 of the Act and the matter was heard on 23 May 2014. Captii further announced on 26 May 2014 that the Telco filed a reply to the petition and the High Court of Delhi scheduled the matter to be heard on 28 July 2014. On 31 July 2014, Captii announced that the High Court of Delhi adjourned the aforesaid matter to be heard on 19 September 2014. Subsequently on 22 September 2014, Captii announced that the hearing was further adjourned to 14 January 2015 at the request of the Telco. On 16 January 2015, Captii announced that the High Court of Delhi dismissed UTPL's petition as the Telco had initiated the arbitration proceeding before the tribunal. The High Court was of the view that the said matter be resolved through arbitration since the tribunal was constituted.

Based on the assessment of the matter, Captii has set aside an impairment loss of approximately RM2.07 million (or SGD0.82 million) on the net carrying value of the Assets in the custody of the Telco for the financial year ended 31 December 2013 to recognise the loss associated with the potential failure to recover the Assets.

24. Notes To The Statement of Comprehensive Income

Included in the operating profit/(loss) are:

	12 months ended 31.12.2014 RM'000	12 months ended 31.12.2013 RM'000
Amortisation of intangible assets	(2,695)	(2,720)
Depreciation of property, plant and equipment	(15,722)	(16,339)
Bad debts written off	(3)	(536)
Fair value gain on remeasurement of contingent consideration on acquisition of a subsidiary	-	1,871
Net gain on disposal of:		
- property, plant and equipment	40	38
- subsidiaries	11,198	-
Gross dividend income	4	2
Impairment loss on:		
- available-for-sale investment	(1)	(14,808)
- development expenditure	(929)	-
- goodwill	(1,496)	-
- held for trading investment	(81)	(19)
- inventories	(28)	(185)
- loan and receivables	(885)	(485)
- property, plant and equipment	-	(2,068)
- investment in associates	(197)	-
- investment in joint venture	-	(24)
Interest expenses	(4,999)	(5,362)
Interest income	2,751	3,340
Write back of payables	1,233	423
Net unrealised gain on foreign exchange	333	871
Property, plant and equipment written off	(91)	(18)
Over provision/(Provision) for retirement plan	23	(363)
Write back of impairment loss on:		-
- loan and receivables	3	461
Realisation of foreign exchange reserve	(1,827)	-

25. Retained Earnings

	As At 31.12.2014 RM'000	As At 31.12.2013 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	(437,030)	(416,416)
- Unrealised	14,847	(870)
Total share of retained profits/(accumulated losses) from associates		
- Realised	(6,937)	(5,734)
- Unrealised	7	11
Total share of retained profits/(accumulated losses) from jointly controlled entities		
- Realised	(838)	(796)
- Unrealised	-	-
	(429,951)	(423,805)
Consolidation adjustments	472,197	469,271
Total Group retained profits as per consolidated statements of financial position	42,246	45,466

26. Dividend

The Board will decide on the recommendation of dividend after finalisation of the audited financial results for the financial year ended 31 December 2014.

27. Loss per share

Basic loss per share

The basic loss per share for the current quarter and current year-to-date are computed based on the Group's net loss attributable to equity holders of the Company of RM1,932,000 and RM4,569,000 respectively, divided by the weighted average number of ordinary shares of 662,225,247 and 565,304,079 for the current quarter and current year-to-date respectively as follows:

	3 months ended		Year-to-date ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	No. of shares		No. of shares	
Issued ordinary shares at beginning of the period/year	661,955,682	513,915,830	513,915,830	513,715,830
Weighted average number of new ordinary shares arising from ICULS converted todate	269,565	-	51,388,249	104,658
Weighted average number of ordinary shares	662,225,247	513,915,830	565,304,079	513,820,488

	3 months ended		Year-to-date ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Basic loss per share (sen)	(0.29)	(3.41)	(0.81)	(4.82)

Diluted loss per share

The diluted loss per share for the current quarter and current year-to-date are computed based on the Group's net loss attributable to equity holders of the Company of RM1,832,000 and RM3,893,000 respectively, after adjusting for interest saving on ICULS, divided by the weighted average number of ordinary shares of 929,194,952 and 929,194,952 for the current quarter and current year-to-date respectively assuming conversion of the remaining ICULS as follows:

	3 months ended		Year-to-date ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000		RM'000	
Net loss attributable to equity holders	(1,932)	(17,549)	(4,569)	(24,745)
Profit impact of assumed conversion-interest on ICULS	100	341	676	1,353
	(1,832)	(17,208)	(3,893)	(23,392)

27. Loss per share (Continued)

Diluted loss per share (Continued)

Weighted average number of ordinary shares (diluted)

	3 months ended		Year-to-date ended	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
	No. of shares		No. of shares	
Issued ordinary shares at beginning of the period/year	661,955,682	513,915,830	513,915,830	513,715,830
Weighted average number of new ordinary shares arising from ICULS converted todate	269,565	-	51,388,249	104,658
Weighted average number of new ordinary shares assuming conversion of the remaining ICULS	266,969,705	415,279,122	363,890,873	415,374,464
Weighted average number of ordinary shares	929,194,952	929,194,952	929,194,952	929,194,952

	3 months ended		Year-to-date ended	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
Diluted loss per share (sen)	(0.29)	(3.41)	(0.81)	(4.82)

The diluted loss per share and basic loss per share for the current quarter, current year-to-date, corresponding quarter last year and corresponding year-to-date last year are reported to be the same as the effect arising from the deemed conversion of ICULS is anti-dilutive.

28. Status of E-commerce activities

Not applicable.

BY ORDER OF THE BOARD

ADVANCE SYNERGY BERHAD

HO TSAE FENG

Company Secretary

26 February 2015